

April 8, 1980

LB 615

LB 615 does pass, then every mile you're reimbursed for at the rate of a cent and a half above the IRS deductible amount, you are going to have to pay income tax on that. You are going to have to declare that as income, and to me, this just doesn't even make good sense. We are trying to reimburse. We have got all kinds of figures, all over the ball park. You know, what answer do you want? We can get the statistics or a study that will prove that answer. If you drive a small economy car you can do it for eighteen and a half cents or less. If you drive a bigger car, you can't do it for eighteen and a half cents but it seems to be a ball park figure. It is an arbitrary figure that the IRS has decided upon. Now what this amendment that Senator Hoagland and I are offering ties it right in into the Internal Revenue Service. In other words, whatever that rate is, that would be the amount that we would reimburse, the amount they allow you to deduct from your income tax, the amount that they consider, and I would grant you that it was arbitrary, that is the amount that you can deduct. So to me that makes a lot more sense than throwing a figure out there that is either higher or lower of that Internal Revenue Service standard. I urge you to support bringing this bill back so that we can adopt this amendment.

SPEAKER MARVEL: Okay, we have one, two, three, four, five, six, seven lights. I hope we can get through this by noon. The Chair recognizes Senator Hoagland.

SENATOR HOAGLAND: Mr. Speaker, colleagues, I'd just like to reiterate some of the remarks made by Senator Dworak. I'd like to see us this morning avoid a serious mistake which I think we are going to be committing if we pass this bill as written. Now if the amendment is adopted, we will save a hundred thousand dollars in general fund appropriations as long as the reimbursable mileage rate stays at eighteen and a half cents but more important, if we pass this bill as written now, we are inviting thousands of dollars of really unwarranted and unnecessary administrative costs. I mean put yourself in the position of any state government administrator who has an agency or a commission or a state department of some sort or other to administer. Every single time he reimburses somebody at the rate of twenty-one cents a mile, why he has to do a double set of paperwork. He has to do one set of paperwork for the eighteen and a half cent reimbursable rate which is an expense. Then he has to do a separate set of paperwork for the two and a half cents in addition to the federal reimbursable rate which has to be declared as income to the recipient. Now it means that come the first of every year when income is reported to IRS